

March 6, 1981

LB 500

CLERK: Mr. President, LB 500 was a bill introduced by Senator John DeCamp and Senator Chris Beutler. (Read title.) The bill was first read on January 20. It was referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File. I have no amendments on the bill, Mr. President.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, this bill has been about five years in the making. It represents once again a compromise of an issue that in previous years has torn up the Legislature, and to the best of my knowledge, we now have a bill in its final form without any amendment whatsoever that is acceptable to the savings and loan industry which was split on this bill originally among themselves; which is acceptable to the banking industry which fought it to the death many times; which is endorsed and strongly supported by the Nebraska State Banking Department as exhibited by the letters on your desk. What the bill represents then is a compromise settlement of a system to convert existing savings and loans should they choose to stock owned savings and loans. As you probably know, every single savings and loan in the State of Nebraska is a mutually owned savings and loan. All banks, of course, are stock owned. This would simply convert or allow conversion under very specific and detailed and prescribed rules and regulations and procedures under the supervision of the Federal Home Loan Bank, et cetera, to a stock owned savings and loans. Reasons or arguments in favor of it: We think it will help maintain our dual system of S & Ls in this state, in other words, state owned S & Ls and Federally chartered S & Ls. We believe there is a role and a reason to have a state system of savings and loans, and unless we set up some system like this, we believe very quickly we are going to completely lose all state chartered S & Ls. Additionally we believe that any member of the Legislature who has paid any attention to the savings and loan institutions and the industry across the country knows that they are under extreme pressure and any additional capital they can get from the private sector will strengthen the S & L and strengthen the security for the general public. We believe this will bring in capital. We believe it will allow S & Ls which would just be merged with, let's say, Commercial Federal or something, to exist as independent entities. We support the bill for that reason. I repeat one final time. It is a compromise settlement after two or three years of interim hearings. We believe the interest of the mutual individuals, in other words, all the borrowers and depositors, now is more adequately protected under this